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October 23, 2003

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
Director and Chief Medical Officer

SUBJECT: KING/DREW MEDICAL CENTER MANAGEMENT

Recent events at King/Drew Medical Center have highlighted the need to provide additional, experienced management support to King-Drew Medical Center and the Southwest Network. To this end, the Department of Health Services (DHS) has established a Management Oversight Group, which will be charged with providing oversight of the day-to-day management activities at the facility.

The Management Oversight Group will be chaired by David Runke, who is the Chief Financial Officer at LAC+USC Medical Center. Mr. Runke has just finished serving as the Acting Chief Executive Officer of LAC+USC Medical Center and his in-depth knowledge and understanding of County systems, hospital management, and financing will be of particular value in this effort. The other members of the Management Oversight Group are William Loos, Medical Director of Olive View-UCLA Medical Center; Gary Wells, Director of Finance; and Sachi Hamai, Director of Administrative Services. Additional support will be provided, as necessary, by staff from Health Services Administration, King/Drew Medical Center, and elsewhere around the Department.

The Group's immediate goal is to shore up management procedures, policies, and compliance to improve the efficiency and effectiveness of King/Drew Medical Center's operations and services. This will include identifying barriers to the successful management of both the hospital and the other facilities in the Southwest Network. The long-term goal of the group is to provide a roadmap for stability for the facility's on-going operations.

Among the key activities this group will oversee are the steps related to the future of medical education programs at King/Drew Medical Center, the facility's preparation for its 2004 Joint Commission on the Accreditation of Healthcare Organizations survey, and the development of the staffing changes and reallocation of resources required to achieve the five percent savings target for Fiscal Year 2004-05 that is contained in the Department's strategic plan.

The Management Oversight Group also will be conducting reviews of the human resources, finance, and clinical management of the hospital and will be making recommendations for systems improvements.

As outlined in my October 14 memo to your Board, the Department has assigned a senior manager to coordinate its efforts to assist Drew University with the placement of Radiology and General Surgery residents in other programs. The Department also is continuing to evaluate the potential impact of the accreditation withdrawal in these programs on other programs at the facility. DHS also is continuing its work to implement alternate radiology and surgical clinical coverage to ensure the facility continues to meet its service commitment to the community.

Yesterday, the Department was advised by Drew University that the ACGME recently provided the University with verbal notification of its decision to maintain the unfavorable status for the hospital's Institutional Accreditation. This determination raises a number of significant challenges to the facility and the medical school.

In addition to charging the Management Oversight Group with aggressively responding to the challenges resulting from the ACGME's actions, the Department also has requested the County's Auditor-Controller conduct a review of the County's affiliation agreement with Drew University to ensure that proper financial controls are in place and to assess the University's compliance with the terms of the agreement.

I will keep you apprised as to the activities of this group, as well as about any further developments related to the accreditation of the facility's training programs. Please let me know if you have any questions.

TLG:ak

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors